

Establishment of National Frequency Spectrum Board is Needed

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The frequency spectrum is still an issue that has not been resolved to date. Frequency Spectrum Policy and Regulation Expert, Dr. Ir. Asmiati Rasyid, stressed the urgency for enacting the Frequency Spectrum Law and establishing the National Frequency Spectrum Board to overcome the plight in frequency arrangement in Indonesia.

“There needs to be a Government Regulation in Lieu of Law on Frequency Spectrum which also regulates the establishment of National Frequency Spectrum Forming Board as an institution for cross-sectoral frequency spectrum management led by competent and honest people directly under the President,” she explained in the National Seminar “The Basic Principles of Radio Frequency Spectrum Management as Guidelines to Enactment of National Frequency Spectrum Law” at University Club UGM, Wednesday (10/17).

Asmiati asserted the steps are necessary considering the importance of frequency spectrum as a valuable natural resource with high acquisition of Non-Tax State Revenue (PNBP). In 2006-2016, the frequency spectrum PNBP from the telecommunication sector reached Rp100 trillion. Even so, the number is still far below compared to India with PNBP at Rp900 trillion in 2010-2016.

“If managed professionally, the frequency spectrum has the potential to be a significant state revenue source for the country’s welfare,” said the founder of CITRUS.

The strategic role and economic value of the frequency spectrum, she added, continue to increase in

the digital economy era. In fact, the frequency spectrum has been contested by the broadcasting industry, cellular telecommunications, internet, and satellites.

Unfortunately, Indonesia has not set the basis for the frequency spectrum policy. Meanwhile, the Telecommunications Law No. 36/1999 and the Government Regulation No. 53/2000 were considered unable to guarantee the cross-ministerial frequency spectrum management.

"Frequency spectrum policy reform must be carried out," she said.

To overcome the excessive frequency spectrum permits from the needs of telecommunications sector, Asmiati said that her group and Faculty of Law UGM proposed several fundamental changes in policy to be considered in enacting the Frequency Spectrum Law and establishing the National Frequency Spectrum Board.

The changes needed include changes in frequency spectrum permits for cellular telecommunications from national coverage to permits per circle to be classified according to the characteristics of an area and environment so the permit prices in metropolitan areas differ from small cities. Similarly, the number of players per circle may vary.

"This policy change is intended to optimize the use of frequency spectrum, open up opportunities for local players, and is expected to increase PNBP significantly."

The changes in permits per-circle, she said, became the basis for the enactment of Frequency Spectrum Law which included four basic principles of frequency spectrum management, namely allocation policy, permit stipulation policy, economic value policy, and establishment of National Frequency Spectrum Board. The interrelated policies are used as guidelines and a framework of credible, accountable, and comprehensive policies and regulations in a single unit in the frequency spectrum legal system.

"The National Spectrum Board and Law are essential. However, they should not be made precisely according to the requests and interests of foreign and private players so it needs close supervision," he concluded.

Agrarian Law lecturer at Faculty of Law UGM, Dr. Jur. Any Andjarwati, stated there was an urgent need in the frequency spectrum arrangement for defence and security. The issues of Satellite Orbit Slots in the realm of international law and the lack of filling slots, environmental threats and the natural conditions of Indonesia, should be enough to urge the government to immediately adopt a constructive frequency spectrum policy.

Economist, Prof. Faisal Basri, highlighted the importance of optimizing radio spectrum to spur inclusive growth. He mentioned that in 2000 to 2014, the information and communication sector always grew by two digits. However, in the past four years, there has been a slowdown to only 7% in the first half of 2018.

"This sector's contribution to GDP shows an increase, even though it is still relatively small," he said.

Faisal stressed, due to its high multiplier effect, special efforts are needed to optimize its role in advancing the slowing down economic growth.

Meanwhile, Trade Law Professor at UGM, Prof. M. Hawin, on that occasion explained about competition law and spectrum use. He noted there is a possibility that spectrum purchase might cause distortion of business competition. Allowing businesses to buy more spectrum will cause business actor to gain a dominant position both in certain spectrum markets or downstream markets. This dominant position can be misused to distort competition.

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